## Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of	)
2010 Quadrennial Regulatory Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996	) MB Docket No. 09-182
Promoting Diversification of Ownership In the Broadcasting Services	) MB Docket No. 07-294

## **COMMENTS OF CEDAR RAPIDS TELEVISION COMPANY**

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### **COMMENTS OF CEDAR RAPIDS TELEVISION COMPANY**

#### I. <u>INTRODUCTION AND SUMMARY</u>

Cedar Rapids Television Company ("CRT") hereby submits its Comments in response to the *Notice of Proposed Rulemaking* ("*NPRM*") issued on December 22, 2011 in the above-captioned proceeding.<sup>1</sup>

CRT is the licensee of full power television station KCRG-TV, an ABC affiliate broadcasting on VHF digital Channel 9 and serving Cedar Rapids, Iowa and the surrounding area. CRT is a subsidiary of SourceMedia Group (formerly the Gazette Company), which also publishes the daily newspaper *The Gazette* in Cedar Rapids. <sup>2</sup>
The newspaper/broadcast combination was grandfathered, together with an AM radio

<sup>&</sup>lt;sup>1</sup> 2010 Quadrennial Review – Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, Notice of Proposed Rulemaking, FCC 11-186, MB 09-182 (rel. Dec. 22, 2011) ("NPRM").

<sup>&</sup>lt;sup>2</sup> The Gazette Company of Cedar Rapids, Iowa d/b/a SourceMedia Group, owns and operates the daily newspaper *The Gazette*, local ABC affiliate KCRG-TV, and numerous websites including TheGazette.com, KCRG.com, and HooplaNow.com. Together, the Gazette Company's media enterprise reaches more than 310,000 people in Eastern Iowa. The company published its first newspaper in 1883, while KCRG-TV, initially known as KCRI-TV, went on the air in 1953.

station then also operating with the "KCRG" call sign, when the FCC first adopted the newspaper/broadcast cross-ownership ban in 1975 and has continued to operate under the ownership of the same family and employee-owned company since that time. Since the sale of WHO-TV in Des Moines in 1996, KCRG-TV has been the only locally-owned and operated television station left in Iowa.

Since 1953, KCRG-TV and *The Gazette* have thrived under common ownership in a quintessential mid-market DMA,<sup>3</sup> with both newsrooms providing compelling coverage of breaking news and in-depth journalism delivered through state-of-the-art technology. The combination's success is remarkable considering the continuing and explosive growth of cable, satellite, Internet, and a host of other new media competitors as formidable players in the news and information marketplace and the resulting drop in advertising revenue felt by both the newspaper and local broadcast television industries. In addition, both entities endured the catastrophic flood and tornadoes that ravaged Iowa in 2008 and caused nearly \$850 million in damage.<sup>4</sup>

Despite the model that KCRG-TV and *The Gazette* provide the Commission as a means to enable newspapers and broadcasters to compete effectively through common ownership with a constantly increasing number of multi-channel and now broadbandenabled competitors, the *NPRM* offers only a handful of timid proposals to relax the outdated media ownership restrictions and, indeed, includes several suggestions that would actually tighten the existing limits. First, the Commission recycles the same

<sup>&</sup>lt;sup>3</sup> Cedar Rapids-Waterloo-Iowa City & Dubuque, Iowa ranks as the No. 89 Nielsen DMA. *See* Television & Cable Factbook 2012, Stations Volume 1, at A-3 (Albert Warren, ed., 2012) ("2012 Factbook").

<sup>&</sup>lt;sup>4</sup> Cedar-Rapids.org, *Flood of 2008 Facts & Statistics, available at* http://www.cedarrapids.org/government/departments/public-works/engineering/Flood%20Protection%20Information/Pages/2008FloodFacts.aspx

newspaper/broadcast cross-ownership rule ("NBCO rule") that has been in effect for nearly forty years, modified only through a convoluted and overly-restrictive waiver provision that, practically speaking, forecloses the possibility of future combinations similar to KCRG and *The Gazette*. Similarly, the Commission proposes to maintain, with no material changes the local television ownership, or "duopoly," rule adopted in 1999 and rejected as unduly restrictive more than a decade ago by the United States Court of Appeals for the District of Columbia Circuit. CRT urges the Commission, instead, finally to repeal or substantially relax the outdated and counterproductive NBCO rule and the overly restrictive television duopoly rule in order to afford meaningful opportunities for broadcasters and publishers to pursue efficient and synergistic combinations that will bolster their ability to serve their local audiences.

## II. THE NEWSPAPER/BROADCAST CROSS-OWNERSHIP RULE SHOULD BE ELIMINATED OR GREATLY RELAXED

## A. The KCRG-TV and The Gazette Combination Embodies the Public Interest Benefits of Newspaper/Broadcast Cross-Ownership

The KCRG-TV and *The Gazette* combination demonstrates the outstanding, indepth local news coverage made possible through the efficiencies and synergies of common ownership. Proudly independent and locally-owned, both KCRG-TV and *The Gazette* have strong records of public service. Moreover, notwithstanding the continued common ownership of the two outlets, the Cedar Rapids market has remained fiercely competitive and continues to be blessed with a broad and diverse array of media outlets.

The Gazette began as an evening journal, called the Evening Gazette, in 1883.

Over its 129-year history, the newspaper also has been called the Cedar Rapids Gazette

<sup>&</sup>lt;sup>5</sup> See NPRM, ¶¶ 84-117.

and, since 1979, *The Gazette*. SourceMedia Group also publishes two weekly newspapers, the *Penny Saver* in Linn County and the *Penny Saver Select* in Johnson County. The company owned and operated KCRG(AM) from 1947 until 2006, when the station was sold to another local group.

Currently, KCRG-TV broadcasts a total of 31 hours of local newscasts each week (with 5 hours on weekdays, three hours on Saturdays, and three hours on Sundays). On January 3, 2011, KCRG-TV expanded its weekday morning newscast by one half-hour, moving it to 4:30 a.m., creating a 2½ hour block of local news each weekday morning. In addition to its main newsroom at its Cedar Rapids studios, the station also operates satellite newsrooms in Iowa City and Dubuque. KCRG-TV has the distinction of being one of only four remaining broadcast television stations in the United States currently utilizing the "24 Hour News Source" format, which it began using in 1990. Even when not in full newscast mode, KCRG-TV provides news and weather updates around the clock, and that information is always accessible online and via mobile sites and mobile apps.

KCRG-TV airs the entire ABC network schedule as well as a strong lineup of syndicated programs. The station also produces *PowerHouse TV*, a program about energy efficiency and safety, for local utility Alliant Energy, which airs it on KCRG-TV and stations throughout Alliant's service area in Iowa, Wisconsin, Minnesota and small parts of Illinois and Missouri. KCRG-TV also provides production resources for a community-focused public affairs program called "Ethical Perspectives on the News," produced weekly in the KCRG-TV9 Studios. In addition, KCRG-TV anchor Beth

Malicki produces and hosts another half-hour program called "To the Point with Beth Malicki," which focuses on a variety of community interest topics.

On January 21, 2012, KCRG-TV became the second station in the Cedar Rapids market to broadcast its newscasts in high definition. The switch to HD came with brandnew logo, graphics, news set and a new 113-inch interactive touch screen used for weather and other interactive storytelling. It is the largest interactive touch screen of its kind in the United States and third largest in the world. The station also had the first news helicopter in Iowa, "NewsCopter 9." This asset, which launched in 1993 and was utilized until 2006, helped KCRG-TV provide coverage of breaking news and severe and winter weather. The Newscopter 9 pilot often took aerial photos as well as video, and *The Gazette* photojournalists would utilize the chopper to fly to capture special coverage.

KCRG broadcasts a second program stream on a digital subchannel called "KCRG 9.2," which originally aired a wheel of local news, weather and features on part of the screen. The remainder of the screen had a news ticker, current weather conditions, rotating weather images and program listings. Over time, syndicated and locally produced programs have been added. This channel can also be seen on Mediacom channel 109 by digital cable subscribers in the Cedar Rapids-Waterloo-Dubuque-Iowa City DMA. As discussed further below, KCRG-TV aired wall-to-wall coverage of the Great Iowa Flood of 2008 from June 11 to 15 of that year, and continued to operate out of its downtown studios despite the flooding. As a consequence, CRT moved network coverage of the 2008 NBA Finals to KCRG 9.2 instead.

In October 2011, KCRG-TV picked up the MyNetworkTV programming service on a secondary affiliation basis. KCRG-TV is currently carrying the MyNetworkTV

programming service from 12:05–2:05 a.m. channel 9.2. In late August 2011, KCRG added a third subchannel, 9.3, and has branded it "KCRG WxNow". The dot 3 service has taken over the 24/7 news and weather information service previously delivered over Local 9.2. Locally-produced children's programming also airs on that channel, developed by the KCRG-TV First Alert Storm Team.

In the Information Content division at SourceMedia Group, journalists who used to work only for *The Gazette* or KCRG-TV9 now work on one team and provide content for all SourceMedia Group platforms—KCRG-TV, The Gazette, TheGazette.com and KCRG.com. In all, some 85 newspaper, television, and website journalists deliver news that strengthens residents' understanding of the events, trends, issues and decisions being made in their community and experiment with the emerging, meaningful ways in which people share information. Today, in addition to preparing stories for print or broadcast, Source Media Group journalists file newsworthy items as they discover them to a number of topical websites covering such varied topics as Eastern Iowa schools (preschool to high school); business news and consumer-related items; Iowa prep sports; hunting, fishing, canoeing and other outdoor activities; Eastern Iowa sports and recreation; general living/quality of life news such as dining, entertainment, and gardening; Eastern Iowa government (Cedar Rapids and Iowa City council news, board of supervisors, items from the statehouse); Iowa higher education; health; weather in Eastern Iowa; the Iowa Caucuses (presidential politics and the role the Iowa Caucuses plays); and "Iowa News Now," which covers a broad range of topics from severe weather and natural disasters to public safety, the court system, and other breaking news that does not fall squarely into other categories.

Some examples of how cooperative efforts between KCRG-TV and *The Gazette* 

have aided the community SourceMedia serves are:

- The Herculean effort put into providing emergency information during the catastrophic flood in June 2008. Working without regular power, water, or a sewer system, KCRG-TV and The Gazette shared facilities to create a backup infrastructure that allowed the television station to air round-the-clock coverage and update websites with critical information as it became available. Their joint efforts also enabled the newspaper to produce keepsake editions that recorded the flood's impact on people in the affected area while listing vital information on where to get help coping with the flood.
- Shared efforts to cover the 2012 Iowa Caucuses. The company created a website, IowaCaucus.com, where it combined its reporting efforts. By spreading costs across *The Gazette* and KCRG-TV, SourceMedia was able to partner with Iowa State University researchers to deliver public opinion polling leading up to the caucuses. The culmination of this effort came on caucus night, when employees involved with both KCRG-TV and *The Gazette* were able to split duties in order to maintain a full online presence that was viewed by more than 9,500 people as the caucuses unfolded. In addition, KCRG-TV relied on a *Gazette* political writer for insight, *The Gazette* relied on data coming in for instant television and online reports, and KCRG 9.2 was able to provide a behind-the-scenes look at how the entire newsroom was planning its coverage.
- Coverage of the 2011 Cedar Rapids City Council election. There, shared efforts enabled candidates to present their positions to voters through The Gazette, KCRG-TV, and online. This effort included a shared website where people could find stories related to the election as well as a series of three candidate forums co-hosted by one KCRG-TV journalist and one Gazette journalist. These forums were open to the public and provided an opportunity for voters to submit questions that were asked of the candidates.
- Team coverage by The Gazette and KCRG-TV of Iowa's largest National Guard deployment since World War II. Showcasing Iowans training at Camp Ripley-Minnesota, Camp Shelby-Mississippi and Fort Irwin-California, the story "Iowa National Guard Training" won a regional Emmy Award for the entire coverage team, including a traditional print journalist.
- Additional cross-promotional and shared efforts, including coverage of a controversial move to tear down older buildings for a medical center in Cedar Rapids, a proposed local-option sales tax for flood control, and a special election for an Iowa Senate district seat. In addition, Gazette reporters and columnists regularly appear on KCRG-TV's mid-day newscast and may also appear in coverage of top stories and breaking news in the 10 p.m. newscast.

In short, KCRG-TV and *The Gazette* continue to provide, as they have throughout their histories, the highest caliber local news coverage, in-depth journalism, investigative reporting, and technological advances that would not have been possible without the benefits enabled by cross-ownership.

B. KCRG-TV and The Gazette Face Increased Competition from
Multichannel Video and Audio Providers, Internet-enabled
Informational Sources, and Other New and Legacy Media and the
Accompanying Challenges of Operating with Decreased Advertising
Revenue

In the *NPRM*, the Commission states that it "continue[s] to believe . . . that a blanket prohibition on newspaper/broadcast combinations is overly broad and does not allow for certain cross-ownerships that may carry public interest benefits." In addition, the agency recognizes that "[t]he proliferation of broadband Internet and other new technologies has had a dramatic impact on the media marketplace." For instance, with "[c]onsumers . . . increasingly turning to online and mobile platforms to access news content and audio and video programming[,] . . . content providers are increasingly looking to the Internet and other new media platforms to bypass traditional media and reach consumers directly." As a result, "[b]roadcast and newspaper consumption in traditional forms is in decline, and advertising revenues have been shrinking in recent years."

In light of this evidence, the Commission must do more than acknowledge the obvious infiltration of numerous new information sources in today's media marketplace.

<sup>&</sup>lt;sup>6</sup> NPRM, ¶¶ 89-90, 101-102.

<sup>&</sup>lt;sup>7</sup> NPRM, ¶ 2.

<sup>&</sup>lt;sup>8</sup> NPRM, ¶ 2.

<sup>&</sup>lt;sup>9</sup> *NPRM*. ¶ 3.

The agency must take the next step and recognize that the ever-increasing role of the Internet as a go-to source of news, information, and entertainment, coupled with the immense financial challenges faced by legacy media outlets as they compete with an ever-expanding array of new entrants, media have rendered the cross-ownership rule obsolete.

In June 2011, the FCC's Future of Media Working Group, led by former journalist Steve Waldman, released a comprehensive analysis of the current media landscape (the "*Report*"). For newspapers, the *Report* paints a bleak picture of decreased advertising revenue, decreased spending on reporting and editing, and substantial layoffs for journalists. In fact, while "[o]nline ad revenue for the entire newspaper industry grew by a billion between 2005 and 2010[,] . . . print advertising lost \$24.6 billion." The *Report* shows similar obstacles for the television broadcast industry. As "[t]he broadcast audience continue[s] its drift to cable, satellite, and the Internet," the *Report* indicates that local television news pre-tax profits dropped 56.3% between 1998 and 2008. The financial strain hit some newsrooms particularly hard, with nearly two-thirds of local television news directors reporting staff cuts in 2009 and the median full-time staff of stations dropping from 32 in 2006 to 29 in 2009.

<sup>&</sup>lt;sup>10</sup> Steve Waldman & the Working Group on Information Needs of Communities, *The Information Needs of Communities: The Changing Media Landscape in a Broadband Age* (June 2011) ("*Report*"), available at http://transition\_fcc.gov/osp/inc-report/The\_Information\_Needs\_of\_Communities.pdf (last visited Sept. 26, 2011).

<sup>&</sup>lt;sup>11</sup> *Report*, at 34-39.

<sup>&</sup>lt;sup>12</sup> *Report*, at 39.

<sup>&</sup>lt;sup>13</sup> Report, at 73-74 (citing a National Association of Broadcasters report).

<sup>&</sup>lt;sup>14</sup> *Report*, at 79 (citations omitted).

The Newspaper Association of America confirms the challenges faced by newspapers, estimating that total annual print newspaper advertising revenue in 2011 will be the lowest in 60 years and less than one-third of the \$64 billion spent in 2000. 15 Additionally, another recent study by the Pew Research Center and the Knight Foundation reinforces that "[t]he [I]nternet has already surpassed newspapers as a source Americans turn to for national and international news." 16 The fact that more people are turning to the Internet for local topics "poses a major challenge to more traditional news providers, especially newspapers, which have often aspired to be a relatively comprehensive source of information on all of these topics." 17

The dramatic revenue declines for newspapers and broadcasters threaten to hamper their ability to provide the same levels of cost-intensive local newsgathering and investigative reporting. Still, KCRG-TV and *The Gazette*, like other local television broadcasts and daily newspapers, have persevered and remain the primary originators of local news, investigative journalism, and local sports coverage. While continuing to face the economic devastation of the 2008 flood, the ongoing recession, and the challenge posed by the well-documented rise of the Internet and new media, both KCRG-TV and *The Gazette* have created new business models rooted in the efficiencies of common

<sup>&</sup>lt;sup>15</sup> Mark J. Perry, *Newspaper Ad Revenues Fall To 60-Year Low In 2011*, SeekingAlpha.com (Feb. 27, 2012), *available at* http://seekingalpha.com/article/393431-newspaper-ad-revenues-fall-to-60-year-low-in-2011.

<sup>&</sup>lt;sup>16</sup> Pew Project for Excellence in Journalism, Pew Internet & American Life Project & Knight Foundation, How People Learn About Their Local Community (Sept. 2011) at 22, available at http://www knightfoundation.org/media/uploads/publication\_pdfs/Pew\_Knight\_Local\_News\_Report\_FIN AL.pdf (last visited Sept. 27, 2011) ("Pew Study"); see also id. at 22 (noting that the Internet is either the most popular source or tied with newspapers as the most popular source among all adults for five of the 16 local topics covered by the survey, and that the Internet is an even more significant source for local news and information among the 79 percent of Americans who are online).

<sup>&</sup>lt;sup>17</sup> Pew Study, at 22.

ownership and multiple delivery platforms to support their continued efforts to meet the information needs of 21st century consumers.

Though it is a grandfathered combination, CRT's KCRG-TV and *The Gazette* would benefit from the opportunity to pursue other synergistic combinations that are currently prohibited by the antiquated NBCO rule. Repeal or substantial relaxation of the cross-ownership rule would foster more efficient operation, alleviate financial strain, and ensure that legacy media outlets like KCRG-TV and *The Gazette* will continue to have the resources to serve their communities in the future. In addition, elimination of the archaic barriers to efficient combinations erected nearly forty years ago by the NBCO rule will enable KCRG-TV, The Gazette, and other publishers and broadcasters to build efficient organizations and pursue new and innovative business models, as all of their competitors are free to do, without the handicap of unnecessary and counter productive federal regulation.

#### C. The Long Record of Service by the KCRG-TV/The Gazette Combination Demonstrates the Inequity of the *NPRM's* Extremely Narrow and Complex Waiver Proposal

For more than 60 years, the combination of KCRG-TV and *The Gazette* in Cedar Rapids has time and time again proven the public interest benefits possible through a mid-market newspaper/broadcast combination. Yet if this combination to be proposed anew today, it would likely fail under the NPRM's extremely limited and convoluted waiver standards – they afford a presumption in favor of relief only in the twenty largest markets and rule out combinations with any of the four highest-rated television stations in a market. 18 If for this reason alone, the Commission must closely reexamine its reasons

<sup>&</sup>lt;sup>18</sup> *NPRM*, ¶¶ 102-04.

for essentially re-adopting the 2006 waiver provisions that provide little or no practical relief to potential newspaper/broadcast combinations in any market, and no assurance of any outside the twenty largest DMAs.

In addition, the Commission in the *NPRM* proposes to adopt waiver standards consisting of uncertain and highly subjective case-by-case standards rather than bright-line standards.<sup>19</sup> For all practical purposes, the proposed waiver rules offer very few opportunities for cross-ownership, represent little progress toward placing newspaper publishers and broadcasters on a level playing field with their competitors, and fail to enable legacy media outlets to devote more resources to local newsgathering.

Instead, CRT submits that any remaining restrictions on cross-ownership adopted by the FCC in this proceeding should create greater regulatory certainty than is reflected in the current rule by definitively permitting newspaper/broadcast combinations in all or the great majority of markets and providing broad and flexible standards for obtaining waivers elsewhere. Establishing bright-line, accommodating rules would create the incentive for interested parties to try to structure transactions that would satisfy the new guidelines. Moreover, establishment of a mechanism for meaningful consideration of waivers from any remaining rules would foster successful and beneficial combinations such as KCRG-TV and *The Gazette*.

## III. ELIMINATION OR RELAXATION OF THE TELEVISION DUOPOLY RULE ALSO WOULD SERVE THE PUBLIC INTEREST

As demonstrated above, CRT and other television broadcasters face competition from an ever-increasing number of sophisticated and technologically-advanced players

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<sup>&</sup>lt;sup>19</sup> *Id.*. ¶ 103.

for audience and advertising revenue.<sup>20</sup> The competitive marketplace has grown to include not just television broadcasters, but also cable operators, other multichannel video programming distributors ("MVPDs"), the Internet, and myriad other print and electronic content providers. Thus, the *NPRM's* suggestions that "local broadcast television stations compete directly with each other" and that competition between local broadcast stations and cable networks or other programming alternatives available via the Internet is of "limited relevance" ignores the reality of today's multimedia marketplace.

Indeed, just as these sweeping marketplace changes have rendered the outdated NBCO rule obsolete and ripe for elimination, a cursory examination of the evolving media ecosystem shows that the Commission's television ownership rules, premised on a market restricted to competition among local television broadcasters only, are outdated and overdue for modification. CRT's grandfathered combination of KCRG-TV and *The Gazette* has produced efficiencies that have enabled both entities to continue to focus resources on local news and other local activities. Similarly, elimination of the duopoly rule would allow mid-market television broadcasters like CRT to explore additional new, efficient combinations that would provide further public interest benefit.

In particular, and at a minimum, the Commission should eliminate or update its Top Four limitation and "eight voices" test to take into account the numerous "alternative sources of video programming" that the *NPRM* itself recognizes and reflect the dynamic change in market conditions since 2006.<sup>21</sup>

<sup>&</sup>lt;sup>20</sup> See supra, Section II.B.

<sup>&</sup>lt;sup>21</sup> See NPRM, ¶ 47. The NPRM proposes perpetuation of the same "voices" test that the D.C. Circuit found arbitrary more than ten years ago when it remanded the local television ownership rule to the Commission, challenging it to justify its decision to include only full power television stations as "voices" to be

# IV. UNWARRANTED EXPANSION OF THE SCOPE OF THE NEWSPAPER/BROADCAST CROSS-OWNERSHIP RULE FROM GRADE A CONTOURS TO NIELSEN DMAS WITHOUT FURTHER QUALIFICATION COULD HAVE SERIOUS NEGATIVE CONSEQUENCES NOT INTENDED BY THE FCC

Though CRT recognizes the need to reformulate some FCC regulations to reflect the transition to digital television, expanding the scope of NBCO restrictions is not necessary to that end. The Commission's proposal in the *NPRM* to substitute Nielsen DMAs for Grade A contours as the triggers for NBCO restrictions would extend the reach of the rule substantially in many markets. Given that the FCC has already acknowledged that the existing ban on cross-ownership is unjustified and counterproductive, there can certainly be no rational justification for *increasing* its restrictiveness.

When the NBCO rule was implemented in 1975, the Commission purposely chose the less restrictive Grade A contour over the larger Grade B contour, consistent with the approach taken under the radio/TV cross-ownership rule.<sup>23</sup> In the radio/TV cross-ownership proceeding, the Commission stated that the Grade B contour encompassment "went further than [it] thought necessary to achieve the desired ends of the proposed rules," which focused on service to specific local communities.<sup>24</sup> DMAs, however, are

considered to measure competition. *See Sinclair Broadcasting Group v. FCC*, 284 F.3d 148 (D.C. Cir. 2002).

<sup>&</sup>lt;sup>22</sup> See NPRM, ¶¶ 99-100.

<sup>&</sup>lt;sup>23</sup> Amendment of Sections 73.34, 73.240, and 73.636 of the Commission's Rules Relating to Multiple Ownership of Standard, FM, and Television Broadcast Station, Second Report and Order, 50 F.C.C. 2d 1046, ¶ 102 (1975) ("We have decided to follow the parallel of the multiple ownership rule already adopted in this proceeding which bars new TV-radio combinations within certain specified contours, namely Grade A for television. . . .").

<sup>&</sup>lt;sup>24</sup> Amendment of Sections 73.34, 73.240, and 73.636 of the Commission's Rules Relating to Multiple Ownership of Standard, FM, and Television Broadcast Station, First Report and Order, 18 R.R. 2d 1735, ¶

often even larger still than a television station's analog Grade *B* contour or its noiselimited digital contour.

For example, the Cedar Rapids DMA includes a distance of more than 100 miles from Cedar Rapids to Decorah, Iowa. Other examples are the Salt Lake City, Utah DMA, thich spans four states and stretches almost 300 miles from Salt Lake City to St. George, Utah, and the Washington, DC DMA, which includes parts of four states and the District of Columbia. The boundaries of these DMAs go well beyond the former Grade A contours of the TV stations licensed to communities in those markets. A crossownership ban this far-reaching does not appear to have been intended and cannot rationally be justified by the Commission in a proceeding aimed at eliminating or reducing unnecessary regulation.

As a common sense solution to avoid expanding the NBCO rule, the Commission could add a mileage qualifier to the DMA measurement or permit reference to the former Grade A contours of television stations to ensure that the rule does not sweep more broadly than it has in the past.<sup>29</sup> Finally, if the Commission determines to adopt DMAs

<sup>32 (1970). &</sup>quot;[U]nder the new rules . . . the stations must be closer together in order to fall under the proscription against common ownership." Id., ¶ 31.

<sup>&</sup>lt;sup>25</sup> Broadcasting & Cable Yearbook 2009, B-160 (Laurie Kaplan et al. eds., 2008).

<sup>&</sup>lt;sup>26</sup> *Id.*, B-208.

<sup>&</sup>lt;sup>27</sup> *Id.*, B-214.

<sup>&</sup>lt;sup>28</sup> *Id.*, B-167.

<sup>&</sup>lt;sup>29</sup> If the DMA concept is utilized, moreover, logical consistency would limit the application of the rule to "major" daily newspapers, previously defined as those with circulation exceeding five percent of the households in the DMA. 2006 Quadrennial Regulatory Review -- Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, Report and Order and Order on Reconsideration, 23 FCC Rcd 2010, ¶ 57 n.183 (2008) ("2006 Ouadrennial Review Order").

as the market indicator for the NBCO rule, CRT strongly agrees that the Commission should grandfather ownership of all existing combinations and permit their sale in combination.<sup>30</sup>

#### V. **CONCLUSION**

Repeal or relaxation of the newspaper/broadcast cross-ownership rule and the television duopoly rule would foster more efficient operation, alleviate financial strain, and help to ensure that these legacy media outlets will continue to have the necessary resources to serve their communities in the future. For the foregoing reasons, Cedar Rapids Television respectfully submits that the FCC should eliminate or substantially relax the newspaper/broadcast cross-ownership rule and the local television ownership rule.

Respectfully submitted,

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<sup>30</sup> See NPRM, ¶ 100.